

December 2, 2015

KIL-03

Martha Blake
Development Services Department
City of San Diego
1223 First Avenue
San Diego, CA 92101

Subject: Addendum #2 to the Air Quality and Greenhouse Gas Analysis included in the Final Environmental Impact Report for the One Paseo Project

Dear Ms. Blake:

This Addendum has been prepared to discuss how the changes included in the New One Paseo Project relate to the results and conclusions made in the Air Quality and Greenhouse Gas Report prepared for the Originally Proposed Project, dated March 2012, and the subsequent Addendum dated May 5, 2014 prepared for Reduced Main Street Alternative included as Appendices G and G.1, respectively, in the Final Environmental Impact Report (FEIR).

INTRODUCTION

In February 2015, the City Council approved a development proposal that reflected the Reduced Main Street Alternative included in the FEIR. The City Council subsequently rescinded some of the project approvals at the request of Kilroy to provide an opportunity to address local community concerns. Kilroy has revised the development proposal to reduce the scale of the project. The redesigned project is referred to as the “New One Paseo Project”. The focus of this Addendum is to confirm that the analysis and conclusions contained in the original report (Appendix G of the FEIR) for the One Paseo Project remain applicable to the New One Paseo Project.

BACKGROUND

The original report evaluated a development proposal consisting of 1,857,444 gross square feet (gsf) including residential, retail, office and hotel uses. For purposes of this Addendum, this development proposal is referred to as the “Originally Proposed Project”. Subsequent to the preparation of the Draft EIR (DEIR), Kilroy redesigned the project to reduce the development to 1,454,069 gsf. The major changes included elimination of the hotel, reduction in square footage

of residential, retail and office uses, and the addition of a green space. An analysis of this redesigned project was included in the EIR as the “Reduced Main Street Alternative”, which was ultimately approved by the City; this project is referred to as the “Approved Project”. An Addendum, dated May 5, 2014, to the original Air Quality/GHG report was prepared to address the Reduced Main Street Alternative; that Addendum is included in the Final EIR (FEIR) as Appendix G.1.

Subsequent to the approval of the Approved Project, Kilroy has redesigned the development proposal to further reduce the total size of the project to 1,175,871 gsf. More information on the New One Paseo Project is included in the project description section which follows.

PROJECT DESCRIPTION

The New One Paseo Project retains the residential, retail and office uses, but eliminates the green space that was included in the Approved Project. The total number of residential units would remain 608. However, the square footage of retail and office uses would be reduced from both the Originally Proposed Project and the Approved Project. Table 1 and Figure 1 illustrate the land uses included in the New One Paseo Project.

| Table 1. New One Paseo Land Uses | | |
|----------------------------------|----------------------|-----------------|
| Land Use | Gross Square Footage | Number of Units |
| Office (Multi-tenant) | 280,000 | -- |
| Retail | 95,871 | -- |
| Residential | 800,000 | 608 |
| Total | 1,175,871 | 608 |

A comparison of the land uses included in the New One Paseo Project with the Approved Project and the Originally Proposed Project is included in Table 2. With respect to the Originally Proposed Project, the New One Paseo Project would result in a 50 percent reduction in the amount of office space, and a 64 percent reduction in the amount of retail space. The number of residential units would remain unchanged. The hotel would be eliminated. The overall square footage would decrease by 37 percent from 1,857,440 to 1,175,871 gsf.

When compared with the Approved Project, the New One Paseo Project would reduce the office space by 43 percent. The retail component would be reduced by 61 percent. The green space would be eliminated. Overall the total square footage of the development would be reduced by 19 percent from 1,454,069 to 1,175,871 gsf. The number of residential units would remain unchanged.

| Table 2 Land Use Comparison of the New One Paseo Project with the Originally Proposed Project and Revised Project (Gross Square Feet) | | | | | | | | | | |
|--|--|----------------|--|---------------------------------|---------------------|----------------------------|----------------------------------|--|--------------------|-----------------------------------|
| Project | Commercial Retail (Square Feet) | | Commercial Office (Square Feet) | | | Hotel (Square Feet) | Green Space (Square Feet) | Multi-Family Residential (Dwelling Units) | | Total Square Feet |
| | Retail | Cinema | Corporate¹ | Professional² | Multi-tenant | | | Units | Square Feet | |
| Originally Proposed Project | 220,000 | 50,000 | 535,600 | 21,840 | 0 | 100,000 | 0 | 608 | 930,000 | 1,857,440 |
| Approved Project | 198,500 | 48,000 | 471,000 | 21,840 | 0 | 0 | 47,916 | 608 | 714,729 | 1,454,069 |
| New One Paseo Project | 95,871 | 0 | 0 | 0 | 280,000 | 0 | 0 | 608 | 800,000 | 1,175,871 |
| Net Change from Originally Proposed Project) | -124,129 | -50,000 | -535,600 | -21,840 | +280,000 | -100,000 | 0 | 0 | -130,000 | -681,569 |
| Net Change from Approved Project | -102,629 | -48,000 | -471,000 | -21,840 | +280,000 | 0 | -47,916 | 0 | +85,271 | -278,198 |

¹ Corporate office category includes multi-tenant as well as corporate office uses.

² Professional office category was applied to multi-tenant office associated with Main Street.

IMPACT ANALYSIS

Air Quality Planning

FEIR

The analysis for the Originally Proposed Project and the Approved Project determined that although the project would require a Community Plan Amendment (CPA) and Precise Plan Amendment (PPA) to allow for the proposed land uses, construction and operational air emissions generated by the project would not exceed applicable significance thresholds for ozone precursors or particulate matter. Project design features were proposed to reduce project emissions in compliance with the strategies in the Regional Air Quality Strategy (RAQS) and State Implementation Plan (SIP) for attaining and maintaining air quality standards. As a result the air quality analysis concluded the impact of the Originally Proposed or Approved Project on regional air quality planning would be less than significant.

New One Paseo Project

The RAQS relies on information from the California Air Resources Board (CARB) and San Diego Association of Governments (SANDAG), including projected growth in the County, mobile, area and all other source emissions in order to project future emissions and determine from that the strategies necessary for the reduction of stationary source emissions through regulatory controls. The CARB mobile source emission projections and SANDAG growth projections are based on population and vehicle trends and land use plans developed by the cities and by the County. As such, projects that propose development that is consistent with the growth anticipated by the general plans would be consistent with the RAQS. In the event that a project proposes development which is less dense than anticipated within the General Plan, the project would likewise be consistent with the RAQS. As illustrated previously in Table 2, the New One Paseo Project would result in a 37 percent decrease in overall gsf when compared to the Originally Proposed Project and a 19 percent decrease when compared to the Approved Project. As such, the New One Paseo Project proposes development that is less dense than the previously analyzed projects. As a result the FEIR conclusion that the impact of development of the Originally Proposed or Approved Projects on regional air quality planning would be less than significant would also be applicable to the New One Paseo Project.

Criteria Pollutants

FEIR

Construction

The analysis for the Originally Proposed Project, included as Appendix G to the FEIR, concluded that construction activities associated with the Originally Proposed Project would not result in significant air quality impacts related to criteria pollutants. The analysis for the Approved Project, included as Appendix G.1 to the FEIR, concluded that the generation of

criteria pollutants, GHGs, and diesel particulates during construction from the Approved Project would be comparable to that of the Originally Proposed Project because the emission levels are based on the surface area to be graded and the number of pieces of construction equipment operating at any given time. The construction impacts with respect to criteria pollutants of both projects was determined to be less than significant.

Operation

The analysis for the Originally Proposed Project concluded that operations would not result in significant air quality impacts related to criteria pollutants. The analysis for the Approved Project concluded that due to the reduced square footage, the Approved Project would reduce average daily vehicle trips (ADT) by approximately 13 percent when compared to the Originally Proposed Project, as well as reduce the demand for energy. As such, it was determined that the Approved Project would result in lower emissions of criteria pollutants than the Originally Proposed Project. The operation impacts with respect to criteria pollutants of both projects was determined to be less than significant.

New One Paseo Project

Construction

As the construction area and activity associated with the New One Paseo Project would be similar or less than the Originally Proposed and Approved Projects, the conclusion of the FEIR air quality analysis that construction impacts on air quality would be less than significant would also be applicable to the New One Paseo Project.

Operation

As detailed in the Traffic Analysis Addendum for the New One Paseo Project, the New One Paseo Project would further reduce ADT by approximately 43 percent when compared to the Approved Project. This equates to an overall ADT reduction of approximately 50 percent when compared to the Originally Proposed Project. Furthermore, the New One Paseo Project would result in reduced energy demand due to the reduced square footage detailed in Table 2. As such, the New One Paseo Project would result in lower emissions of criteria pollutants than either the Originally Proposed Project or Approved Project. Therefore, the conclusions of the FEIR air quality analysis that operational impacts would be less than significant would also be applicable to the New One Paseo Project.

Sensitive Receptors

FEIR

Construction

The analysis for the Originally Proposed Project concluded that construction activities would not result in significant air quality impacts related to diesel particulates. As with criteria pollutants, the similar construction equipment usage was assumed for the Approved Project which was also determined to have a less than significant impact on sensitive receptors.

Operation

The analysis for the Originally Proposed Project concluded that operations would not result in significant levels of toxic air contaminants (TACs) related to diesel particulates and heating and ventilation associated with operations of the proposed development. The analysis for the Approved Project concluded that the reduced square footage of buildings requiring heating and ventilation would result in a proportional reduction in TACs associated with this source when compared to the Originally Proposed Project. Additionally, the reduction in retail development associated with the Approved Project would reduce the number of trucks providing deliveries, which would proportionately reduce diesel particulate emissions.

New One Paseo Project

Construction

As the construction area and activity associated with the New One Paseo Project would be similar or less than the Originally Proposed and Approved Projects, the FEIR conclusion that the impact of development on sensitive receptors would be less than significant would also be applicable to the New One Paseo Project.

Operation

The reduced square footage of development for the New One Paseo Project would result in a proportional reduction in TACs and diesel particulate emissions. Therefore, the FEIR conclusion that operations related to development of the property would have a less than significant impact on sensitive receptors would remain applicable to the New One Paseo Project.

Odors

FEIR

Construction Odors

The analysis for the Originally Proposed Project stated that project construction would not cause a long-term odor nuisance, and associated odor impacts during project construction would be less than significant. As with previous issues, the similar construction equipment usage under the Approved Project would generate odors comparable to the Originally Proposed Project. Odor impacts were determined to be less than significant for both projects.

Operational Odor Impacts

The analysis concluded that land uses associated with the Originally Proposed and Approved Projects would not result in objectionable odors and that odor impacts would be less than significant.

New One Paseo Project

Construction Odors

Construction associated with the New One Paseo Project would be comparable to the Originally Proposed and Approved Projects. Thus, the FEIR conclusion that construction odors would be less than significant would also be applicable to the New One Paseo Project.

Operational Odors

As land uses would be comparable to the Originally Proposed and Approved Projects, the FEIR conclusion that operational odors would be less than significant would also be applicable to the New One Paseo Project.

Greenhouse Gas Emissions

FEIR

Construction

The analysis for the Originally Proposed Project, included as Appendix G to the FEIR, concluded that construction activities associated with the Originally Proposed Project would not result in significant GHG emissions. The analysis for the Approved Project, included as Appendix G.1 to the FEIR, concluded that the generation of GHGs during construction would be comparable to that of the Originally Proposed Project because the emission levels are based on the surface area to be graded and the number of pieces of construction equipment operating at

any given time. As result, the analysis concluded that the GHG impacts associated with construction for the Originally Proposed and Approved Project would be less than significant.

Operation

The analysis for the Originally Proposed Project concluded that operations would not result in significant GHG emissions. The analysis for the Approved Project concluded that due to the reduced square footage, the Approved Project would reduce ADT by approximately 13 percent when compared to the Originally Proposed Project, as well as reduce the demand for energy. As such, it was determined that the Approved Project would result in lower GHG emissions than the Originally Proposed Project. As a result, the analysis concluded that the GHG impacts associated with operations for the Originally Proposed and Approved Project would be less than significant.

New One Paseo Project

Construction

The construction associated with the New One Paseo Project would be comparable or less than that associated with the Originally Proposed and Approved Projects. Thus, the conclusion that GHG emissions related to construction would be less than significant would be applicable to the New One Paseo Project.

Operations

As detailed in the Traffic Analysis Addendum for the New One Paseo Project, the New One Paseo Project would further reduce ADT by approximately 43 percent when compared to the Approved Project. This equates to an overall ADT reduction of approximately 50 percent when compared to the Originally Proposed Project. Furthermore, the New One Paseo Project would result in reduced energy demand due to the reduced square footage detailed in Table 2. As such, the New One Paseo Project would result in lower GHG emissions than either the Originally Proposed Project or Approved Project. Thus, the FEIR conclusion that GHG emissions related to operations would be less than significant would also be applicable to the New One Paseo Project.

Greenhouse Gas Planning

FEIR

The analysis for the Originally Proposed Project determined that because the Project is expected to include project features that are encouraged by the Conservation Element policies in the City's General Plan, there would be no conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing GHG emissions. This was also determined to be true for the Approved Project which also incorporated energy conservation features.

New One Paseo Project

The New One Paseo Project would also include energy conservation features. Therefore, the FEIR conclusion that the impact of development GHG reduction policies would be less than significant would also be applicable to the New One Paseo Project.

CONCLUSION

Overall, the New One Paseo project would result in reduction of the square footage of the project and ADT in comparison with the Originally Proposed Project and the Approved Project analyzed in the FEIR. As such, the New One Paseo project will not create new significant environmental effects for air quality and GHG, or a substantial increase in the severity of a previously identified impact; and therefore, the previous analysis and conclusions remain valid.

CERTIFICATION

This addendum is based on the related project information received and represents a true and factual analysis of the air quality and greenhouse gas impact issues associated with the New One Paseo Project.

Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Ortiz', with a stylized flourish at the end.

Victor Ortiz
Air Quality Specialist